

The Nuffield Health Pension & Life Assurance Scheme

nuffielddb@xpsgroup.com
0121 752 6610

Summary Funding Statement 2022

This statement is issued on behalf of the Trustee Board of the Nuffield Health Pension and Life Assurance Scheme (the Scheme) and aims to provide information about the Scheme's funding position. The Trustees have a duty to provide this information to all members of the Scheme.

Funding Position

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'. Full valuations usually take place every three years and the last one was carried out as at 31 March 2021. A less detailed annual funding update was also carried out on 31 March 2022, the results of which are shown in the table to the right, along with the valuation results and the results shown in the last Summary Funding Statement as at 31 March 2020.

Change in the funding position since the last Summary Funding Statement

Between 31 March 2020 and 31 March 2021, the funding position improved from a shortfall of **£44.9m** to a shortfall of **£10.7m**. This mainly results from investment returns on the Scheme's assets being higher than expected.

The funding position has improved further from a shortfall of **£10.7m** as at 31 March 2021 to a surplus of **£8.6m** as at 31 March 2022. This is mainly due to investment returns on the Scheme's assets being higher than expected and contributions paid by Nuffield Health.

2022 Report

Assets £523.6m

Liabilities £515.0m

Surplus
£8.6m

102%
funded

2021 Valuation

Assets £513.0m

Liabilities £523.7m

Shortfall
£10.7m

98%
funded

2020 Report

Assets £490.5m

Liabilities £535.4m

Shortfall
£44.9m

92%
funded

Summary of the deficit recovery plan

The Trustees have agreed a deficit recovery plan with Nuffield Health that is expected to eliminate the shortfall reported at 31 March 2021 in no more than seven years, i.e. by 31 March 2028. This will be reviewed as part of the actuarial valuation as at 31 March 2024.

Funding position if the Scheme had wound up

If the Scheme had wound up on 31 March 2021, it was estimated that the amount required to buy out the Scheme benefits in full with an insurance company was **£645.4m**. This is equivalent to a shortfall of **£132.3m**. These figures are just estimates which we are required to provide and are not meant to imply that the Trustees or the Employer are considering winding up the Scheme.

What would happen if the Scheme started to wind up?

If the Scheme winds up in the future, you might not get the full amount of pension you have built up in the DB section, even if the Scheme is fully funded under our ongoing funding objective. However, whilst the Scheme remains ongoing, even though funding may be temporarily below target, benefits will continue to be paid in full.

The employer would be required to pay enough into the Scheme to allow benefit to be completely secured with an insurance company. If the employer became insolvent and was unable to pay this amount in full, the Pension Protection Fund (PPF) might be able to take over the Scheme and pay compensation to members. Further information and guidance are available on the PPF's website at www.ppf.co.uk

Payments to Nuffield Health

There has not been any refund of surplus to the employer out of the Scheme's funds since the last Summary Funding Statement.

What is the Scheme invested in?

DC section accounts are invested as members elect. The trustee policy for the DB section assets is to invest in a broad range of assets, including company shares, government securities, corporate bonds and liability hedges.

Transferring out of the Scheme

If you are thinking of transferring your benefits out of the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action. You can find one local to you at www.unbiased.co.uk

Where can I get more information?

A list of more detailed documents providing further information about the Scheme is shown below. Some of these documents can be accessed from the Nuffield Pension & Life Assurance Scheme webpage at www.nuffieldhealth.com/mybenefits/retirement-savings-plan/plas-member-area. Alternatively, you can request information and document copies from the administration team via e-mail to nuffielddb@xpsgroup.com, or by calling **0121 752 6610**. Please note that in some cases, there may be a small charge for sending hard copies of the documents.

Additional documents available on request

- Statement of Funding Principles – *sets out the Scheme's funding plan.*
- The Recovery Plan – *explains how any funding shortfall is being made up.*
- Statement of Investment Principles – *explains how the trustee board invests the Scheme's money.*
- Schedule of Contributions – *shows how much money is being paid into the Scheme.*
- Annual Report and Accounts – *shows the Scheme's income and expenditure in each year up to 31 March.*
- Full report on the actuarial valuation – *the actuary's check of the Scheme's situation as at 31 March 2021.*
- Annual valuation reports – *the actuary's review of the Scheme's situation as at 31 March 2022 (most recent version).*
- Member's booklet – *sets out the various benefits provided by the Scheme.*
- Annual benefit statement – *provides details of the benefits you are likely to receive when you retire.*